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DEPT FOR AP/EPS AND AF/C
DEPT PLEASE PASS TO USTR
PARIS FOR AFRICA WATCHER
NAIROBI FOR ECA HUB

FROM BRAZZAVILLE EMBASSY OFFICE

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [CF](#) [KNAO](#) [AGOA](#)

SUBJECT: CONGO/B: AGOA Meetings with Ministers of Commerce & Small Business, Plans for Congo's National Strategy

1. Summary. In mid-March consultants from the East and Central Africa Global Competitiveness Hub (ECA Hub) visited Brazzaville to launch the AGOA Add-on Project. Courtesy calls were made on the Ministers of Commerce and of Small and Medium Businesses by the Ambassador and Econ/Cons officer to discuss the project, Congo's National AGOA Strategy and other AGOA challenges for ROC firms. After the meetings and visits to firms in Brazzaville, Econ/Cons officer and the local USG-funded consultant traveled to the commercial city of Pointe-Noire to continue public diplomacy efforts on AGOA, meet with local officials, and visit Congolese firms. Overall, the ECA Hub expert noted that Congo may find it difficult to compete in terms of product quality and market competitiveness, particularly in the handicraft sector, with more experienced and sophisticated businesses from Kenya and South Africa. End Summary.

Minister of Commerce Meeting:

2. On 10 March 2005, the Ambassador, Econ/Cons officer, and the ECA Hub consultants met with the Minister of Commerce and her staff in her offices. Issues discussed included presenting the AGOA technical assistance (TA) project that was being launched in ROC, asking for suggestions on firms that might be good candidates for TA, and inquiring about the status of proposed ROC legislation to facilitate AGOA-eligible trade. The Minister expressed considerable concern that she had not seen yet seen the draft National AGOA Strategy report done by the ECA Hub consultant from October 2004 nor had an additional seminar planned for January 2005 been executed. Ambassador noted that the October ECA hub consultant had not informed post of the proposed seminar and post also had not received a copy of the draft National AGOA Strategy. (Note: Post was later able to provide both an English and a French translation of the ECA Hub draft AGOA National Strategy for Congo.)

3. The Minister indicated her interest in post's comments on the proposed ROC legislation aimed at facilitating AGOA-eligible trade, especially in the area of textiles. The ROC draft legislation concentrates on the operation of a permanent AGOA office to register Congolese firms exporting under AGOA and defines the framework for the reporting and enforcement necessary to maintain AGOA export eligibility. ECA consultants provided feedback on the draft to suggest that references to AGOA "Category 9" products might be better dealt with in separate legislation to avoid confusion.

Minister of Small and Medium Businesses Meeting:

5. On Saturday, 12 March 2005, the Ambassador, the Econ/Cons officer, and the consultants met with the Minister of Small and Medium Businesses and his staff in his offices. Much like the meeting with the Minister of Commerce, the TA project was presented and discussed. It was also stressed that the project is for technical assistance and not financial assistance to ROC companies and that the ROC needed to also ensure that local companies understood this. The Minister was keen on focusing AGOA efforts in the handicraft sector, which he felt had potential in Congo. The Ambassador suggested that he consider attending the upcoming Dakar AGOA Ministerial in July as this would give him a better sense of what companies in his areas need to do in order to access the benefits of AGOA.

AGOA Add-on Project - Brazzaville & Pointe-Noire Visits:

6. Earlier in the visit, Econ/Cons officer accompanied the ECA Hub consultants, Robert Karanja based out of Nairobi and Landry Koufoundila, the local AGOA Project Coordinator visited about a dozen local Brazzaville businesses that had

participated in earlier AGOA seminars and wanted to be considered for the technical assistance project. Vendors visited included those selling products such as niche herbs and oils, coffee, wood sculptures, pottery, baskets, and clothing and accessories made with locally-woven textiles.

17. As part of Post's public diplomacy efforts to inform ROC companies in Congo's commercial capital Pointe-Noire, Econ/Cons officer and ECA Hub's local AGOA Project Coordinator traveled to the area to meet with businesses and local officials to discuss AGOA in general and the technical assistance project in particular. Meetings included the Secretary and Director General of the Chamber of Commerce,

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and the Departmental Directors of Commerce, Supply and Consumption, and Small and Medium Businesses at the Chamber of Commerce in Point Noire. The interlocutors were curious about what kinds of publicity and seminars had occurred already in Brazzaville and stressed that there should be publicity and seminars in Pointe-Noire since it is the "economic capital" of the country. At the conclusion of the meeting, the group provided a list of local firms that might be good candidates for the technical assistance project. Most of the suggested firms, which were concentrated in agribusiness sector, were then visited by the local AGOA Project Coordinator.

Comments:

18. Upon completion of the business visits, the ECA Hub consultants observed that "limited production capacity" was probably the most significant challenge for the Congolese firms in both Brazzaville and Pointe Noire. This is expected to be a focus of the technical experts who are scheduled to arrive in ROC on April 22. The two sectors that are likely to be targeted for the technical assistance project are agribusiness, in particular coffee and cocoa, and handicrafts. Throughout the visits to local businesses, product quality and market competitiveness were concerns expressed by the ECA hub expert. It also was noted that in the handicraft sector, ROC firms may find it difficult to compete with more experienced and sophisticated competitors like Kenya and South Africa.

19. Brazzaville Embassy Office - Sanders
Dougherty